



INFORMATION MEMORANDUM

DEFINITIONS

The following definitions are used throughout this information memorandum:

- ✔ **Business Days:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- ✔ **FPO:** the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
- ✔ **InfoMemo:** this information memorandum.
- ✔ **secondary investors:** the investors that invest in an existing SPV by acquiring existing shares in said SPV.
- ✔ **shareholder:** a holder of shares in an SPV.
- ✔ **Stamp Duty E-wallet:** the segregated electronic account held with Mango Pay (www.mangopay.com) designated for the payment of stamp duty payable to Her Majesty's Revenue & Customs in respect of shares sold.
- ✔ **SPV:** a company incorporated for the purpose of holding legal title to an asset.
- ✔ **SPV E-wallet:** the segregated electronic account held with Mango Pay (www.mangopay.com) designated for the SPV generally.
- ✔ **SPV holding E-wallet:** the segregated electronic account held with Mango Pay (www.mangopay.com) designated for holding funds paid by investors prior to them being issued shares in an SPV, held on trust by Yielders for the investor that made the payment for the purposes of acquiring shares in that SPV.
- ✔ **Yielders:** Yielders Limited of The Old Police Station, 82 High Street, Golborne, Warrington WA3 3DA (Company number: 09757611).
- ✔ **Website:** www.yielders.co.uk

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This InfoMemo contains important information which you should ensure you have read before accepting them. You must raise any queries you have in respect of the same prior to investing in the SPV and should not invest in the SPV if you do not agree with it.

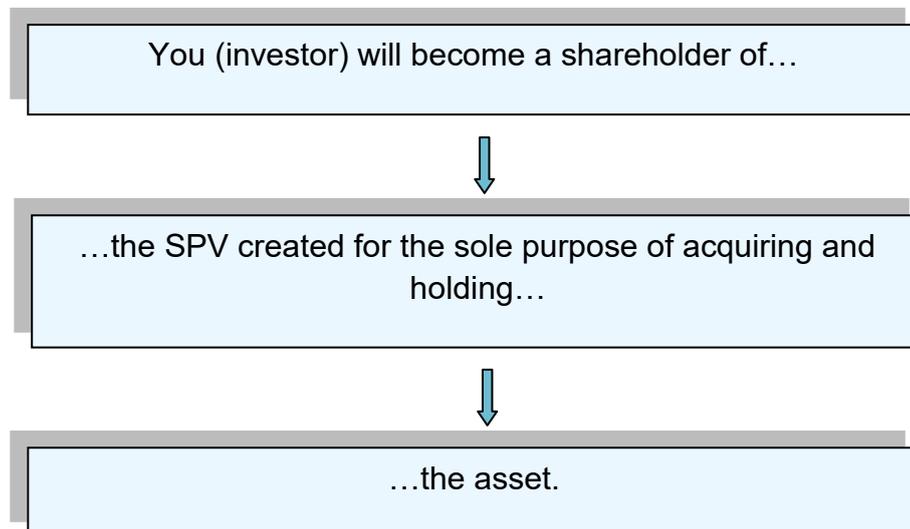
SUMMARY

- ✔ Investment reference number: **SPVY00027 LTD**
- ✔ Investment type: **CASH**
- ✔ Brief description and state of the asset: **3 X 1 FREEHOLD TITLE, ALL OF WHICH ARE 3 BEDROOM PROPERTIES**
 - 7 Beatrice Street, Northumberland, NE63 9BL**
 - 7a Beatrice Street, Northumberland, NE63 9BL**
 - 41 Durban Street, Northumberland, NE24 1JA**
- ✔ Yielders' proposed plan of action: **ACQUIRE ALL ASSETS AND RENT OUT TO TENANTS**
- ✔ Investment term: **5 YEARS COMMENCING ON 30th June 2021**

This InfoMemo is published for the purposes of providing information in respect of the potential investment in the asset via an SPV as detailed below.

The intention is to create an SPV which will acquire and become the legal owner of the asset.

When you invest funds through Yielders:



Once the SPV has been incorporated, the intention is to acquire three properties and rent each to tenants but collect yields in a single SPV.

Investing through Yielders will result in your money being pooled into an SPV incorporated for the sole purpose of acquiring the assets and generating revenue from

it as detailed in this InfoMemo. In exchange for your investment, you will receive share(s) in the SPV. Your shares will be issued to you subject to the articles of association of the SPV which you are obliged to accept into when you invest. Should you not agree or wish to be bound by the articles of association of the SPV, you should not agree to invest in the SPV or acquire shares in it.

ASSET DESCRIPTIONS

The asset details are as follows:

PROPERTY 1

7 Beatrice Street , NE63 9BL

Freehold

Tenanted? Yes

Valuation: £50,125

PROPERTY 2

7a Beatrice Street , NE63 9BL

Freehold

Tenanted? Yes

Valuation: £50,125

PROPERTY 3

41 Durban Street, NE24 1JA

Freehold

Tenanted? Yes

Valuation: £61,750

INTENDED REVENUE GENERATING PLAN

Figures

Projected acquisition costs breakdown:

ITEM	ESTIMATED COST
PROPERTY PURCHASE COST	£162,000
RENOVATION & FURNITURE COST	£0
LEGAL, STAMP DUTY & OTHER FEES	£7,949
YIELDERS INITIAL FEES	£4309
NUMBER OF SHARES	100,000
SOURCING FEE	£2,430
SHARE PRICE	£1.80

Projected rental figures:

ITEM	ESTIMATED REVENUE
TARGET RENT P.A.	£14,479

Projected net growth assumptions:

ITEM	ESTIMATED REVENUE
NET GROWTH – SAVILLS PROJECTION (5 year end)	11.83%

Projected sale costs:

ITEM	ESTIMATED COST
AGENT FEES	£2,174
LEGAL FEES	£1,087
YIELDERS PROFIT SHARE	£7,837

RISKS

Prospective investors should carefully consider the following non-exhaustive list of investment risks. Additional risks and uncertainties that are not currently known or are immaterial to Yielders may also have an adverse effect on the investment. The value of your investment could be substantially reduced as a result of any of these risks and investors may lose all or part of their investment. The value of shares and the SPV can go down as well as up and this could result in an investor incurring a total loss of their investment. If you cannot afford to lose all of your investment, you should not consider applying to subscribe through Yielders. An investment may not be suitable for all investors. Investors should be aware that investing in SPVs carry with it a high degree of inherent risk. Yielders does not provide legal, financial or tax advice.

You should be aware of the following risks associated with your potential investment:

- ▼ **The value of your investment may decline and all capital may be lost**
- ▼ Investing in start-up limited companies, i.e. the SPV, or indeed any asset or property, carries certain risks which can include (but is not limited to) illiquidity; a potential lack of dividends; loss of the entire investment and dilution of it. It is **completely** your responsibility to satisfy yourself that this risk is acceptable to you. You acknowledge that making an investment should be done only as part of a diversified portfolio. This means that you should invest in relatively small amounts in multiple assets / SPV's rather than large amounts in one or two. Further, you may only want to invest a small proportion of your investable capital in any start-up business / SPV and other money invested in safer, more liquid assets. Please note that this does not constitute investment advice.
- ▼ Property prices can go down as well as up and you can lose all capital invested.
- ▼ Property prices can vary from property to property as well as location. These factors can in turn influence property process and can make them more or less susceptible to negative growth.
- ▼ By investing through the Website, you acknowledge that you may not get all your money back if the property price does fall. As such, you acknowledge that by virtue of these terms, the terms on the Website and the terms featured in the transaction documents provided to you, we are warning you that you should not invest any more money than you are able to afford to lose without altering your standard of living.
- ▼ Any investment you make will be illiquid as further sale of shares is not guaranteed. It will therefore ultimately be dependent on the sale of the asset at the end of the term of your investment. Investment in this portfolio should not

be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the shares will occur or that the commercial objectives of the SPV will be achieved.

- ▼ An investment in shares may be subject to dilution in the future. Dilution occurs when a company issues more shares. Dilution affects every shareholder of that company that chooses not to purchase the new shares being offered. As a result, an existing shareholders' proportionate shareholding can be reduced or 'diluted'. This could impact voting, dividends and value of their shares.

▼ **Real Estate and Economic Conditions**

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political events and trends, tax laws and other factors can substantially and adversely affect asset / real estate investments in general and the SPV in particular.

▼ **Illiquidity – non tradable securities and assets**

Investments constitute private transactions. As such, they are not publicly traded on stock exchanges and may not be rapidly sold or traded. Prior to investing, you should consider the likelihood that you will hold an investment for its full lifecycle and as such it is a long term investment.

▼ **Tenant Default**

- ▼ In the event of a tenant failing to meet its obligations to the owner of the property (the SPV), investors will experience a fall in the cash receipts and cash available for distribution to them. Bankruptcy laws can be used by a tenant at any time for their protection and this can mean that their lease is terminated. As a result, the tenant may no longer make payments on time or any payments under its lease at all.
- ▼ If a property owned by the SPV you hold shares in receives rent, this (subject to all costs of the SPV being met) will be paid to you and the other shareholders of the SPV in the form of dividends, after all expenses and costs payable. This could result in no dividends being paid. As such, there is a risk that you will not see a return on your investment. Past performance should not be used as a reliability indicator as future potential is unknown and is independent of past performance.

✓ Key Person Risk

Yielders are dependent on the services of a limited number of key persons, and if the services of such key persons were to become unavailable or irreplaceable, the Yielders might deem it in the best interest of the SPV to wind the SPV up.

✓ No Control

The SPV will be managed by Yielders. Investors will be able to vote towards decisions in accordance with the articles of association you are obliged to accept into when investing in an SPV.

✓ Taxation Risk

The tax treatment and regulatory environment for SPV's in general may change from time to time depending on governmental and regulatory priorities and circumstances. There is no guarantee that the expected (S)EIS reliefs will always be available in the form expected. It is possible that some or all of the expected reliefs are withdrawn by the government, potentially retrospectively. In particular, the government and HM Revenue & Customs have been taking steps recently to tighten the regulations in relation to (S)EIS investments which seek to provide capital protection and to remove (S)EIS benefits from some such investments. No SPV is permitted to or does offer capital protection.

- ✓** There are circumstances in which an investor could cease to qualify for the taxation advantages offered by the (S)EIS. For example, (and without prejudice to the generality) capital gains deferral relief could be lost if an investor ceases to be resident or ordinarily resident in the United Kingdom during the minimum investment period. In addition, an investor could cease to qualify for (S)EIS income tax relief if he receives value from one of the Yielders SPV's during the period beginning one year before the shares in the new SPV are issued and ending on the conclusion of the minimum investment period. Payment of a dividend, however, would not typically be regarded as a receipt of value.
- ✓** If any of the SPV's cease to carry on business of the type prescribed for (S)EIS qualifying companies during the minimum investment period, this could prejudice their qualifying status under the (S)EIS. If Yielders does not comply with the rules in relation to utilisation of the invested funds with the applicable time limits then this again could prejudice its qualifying status under (S)EIS.
- ✓** The consequences of any of the SPVs ceasing to qualify for (S)EIS purposes could include withdrawal of any tax reliefs already received by an investor (including repayment for example of any income tax relief to HMRC) and the loss of any future (S)EIS reliefs.

✓ General

- ✓** Yielders via its Website and any other communication platforms offers no guarantees or assurances as to any income, capital growth or other financial gain through your investment in an SPV.
- ✓** Subject to the terms of the articles of association, you may sell your shares in any SPV provided it is done through Yielders. In respect of such sale, Yielders will charge you a fee of £50. We do not offer any assurance or guarantee that your shares will be sold and such sale will be subject to you or Yielders finding a willing buyer for the shares at the relevant price. We do not underwrite or guarantee the price or liquidity of any onward sale of shares, however, we confirm that we will use all reasonable endeavours to sell the shares on your behalf.
- ✓** We will provide you with the SPV's company documentation. We strongly advise you carry out your own independent due diligence on the investment being offered via Yielders, including (but not limited to) this InfoMemo and SPV company documents in order to ascertain the risks involved.
- ✓** If you are not familiar with the transaction documentation, you must seek professional advice before proceeding to invest.
- ✓** Information provided about the asset and SPV as well as projections of future performance may be based on the internal calculations and opinions of Yielders based on information provided to us. They are subject to change at any time and influenced by third party factors outside of our control. Forecasts are not reliable indicators of future results and should not be relied upon.

✓ Forward-looking statements

Investors should not place reliance on forward-looking statements. This document includes statements that are (or may be deemed to be) "forward looking statements" which can be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this document, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. It should be noted that no assurances can be provided that EIS or SEIS status will be maintained or granted for the minimum investment period that the investment is required to be held for capital

gains tax and income tax purposes. It should further be noted, that where tax reliefs are available, they are only available on the actual amounts invested in the SPV's, and therefore no tax relief is available for charges.

KEY POINTS TO NOTE ABOUT THE INVESTMENT

You should ensure that you understand the following key terms:

- ✔ The number of shares that you will acquire when you invest will be determined by the amount of money you are able to invest.
- ✔ The total sum of money that you will require when investing will need to include:
 - The amount you would like to invest in the SPV.
 - For first round investors, Yielders' fees for incorporating the SPV, being 2.5% of the total amount invested. Thereafter, a transfer fee of £50 will be charged to each new secondary investor upon acquisition of existing shares in the SPV.
 - Any other fees noted above in this InfoMemo as payable on investment.
- ✔ Before you invest, you need to make sure that you have sought financial / tax advice as Yielders is not authorised to provide such advice. Please do not invest if you might not be able to pay the taxes that may be due as a result of your investment.
- ✔ The SPV and asset owned by the SPV will be managed in accordance with this InfoMemo and the SPV's articles of association. The asset or SPV will not, under any circumstance (subject to the articles of association of the SPV), be sold earlier than the date envisaged in this InfoMemo. Any action taken by any investor to directly or indirectly, cause the shares of the SPV or the asset to be sold prior to the expiry of the term will be voidable. This means that such steps will have no effect unless stated otherwise in the SPV's articles of association. Any investor found to be taking such steps will be required to indemnify all losses caused to any party as a result.

E-wallet

Acquisition stage

- ✔ You will not be permitted to invest in an SPV through Yielders unless you have registered on the Website. In order to register, you will be required to review and accept the following terms and conditions:
 - General terms and conditions;
 - Cookie policy;
 - Privacy policy;
 - Website terms of use;

- Website acceptable use policy; and
 - KYC policy.
- ✔ In the event that you do not accept these terms, you will not be permitted to register on the Website and will not be permitted to make an investment.
- ✔ Further, your registration on the Website is dependent on completion of checks against your identity, address and origins of funds pursuant to our KYC policy. In the event of any issues arising from these checks, Yielders reserve the right to refuse your registration to the Website and have no obligation to disclose its reasoning for refusing your registration.
- ✔ Once you have registered, you may view the investments on offer on the Website. You will be permitted to invest in any investment provided you place an offer to invest before the total amount of funds required in respect of a particular asset / SPV have been invested by other investors or Yielders' deadline has expired, whichever is the earlier.
- ✔ In order to make an offer for investment, you will be required to confirm your acceptance of this InfoMemo and the articles of association of the SPV. In addition, you will be required to provide payment of the investment amount together with the fees payable in respect of the same.
- ✔ The money you invest will be held in an SPV holding E-wallet held on trust by Yielders for you.
- ✔ Once you have confirmed your offer, it will be irrevocable. Yielders will process your order and notify you via a confirmation email and/or via the Website at the expiry of the deadline for investment in the SPV or earlier if the requisite investment funds have been acquired, confirming that you are now a shareholder of the SPV and will provide you with your share certificate in respect of the same.
- ✔ Upon expiry of the investment period or when the requisite investment funds have been acquired, your investment funds will be transferred out of the SPV holding E-Wallet and into the SPV E-wallet. Prior to this, Yielders' fees will be transferred to the Yielders fee E-wallet and any other payments into their respective E-wallets. At such time the E-wallet trust arrangement shall immediately terminate as a result of your acquisition of shares in the SPV in exchange for the funds held on trust in the SPV holding E-wallet.
- ✔ During the term of your investment, you will be entitled to dividend payments in accordance with the articles of association of the SPV.
- ✔ Further, during the term, Yielders will be entitled to the payments detailed in this InfoMemo in respect of its services to the SPV.

First round investment stage – Primary market

- ▼ You will be entitled to sell your shareholding in the SPV. This must be completed via the Website. You may source your own purchaser, but transfer of shares can only be completed by Yielders. Each time a given set of shares is transferred, a £50 transfer fee will be payable to Yielders.
- ▼ When shares are purchased by secondary / tertiary investors, as appropriate, i.e. on a transfer of shares, the funds paid for the acquisition of the shares in the SPV will be held in the SPV holding E-wallet until the transfer has been effected, at which point:
 - the funds due to the selling investor will be transferred to the selling investor's E-wallet. The selling investor may then direct payment into his personal bank account via the Website;
 - the money paid by the purchasing investor will be transferred into the SPV E-wallet;
 - 0.5% of the purchase price for the shares or such other percentage as may be determined by law from time to time will be transferred to the Stamp Duty E-wallet. With the exception of stamp duty, all other applicable taxes attributable to the selling investor remain the liability of the selling investor;
 - Yielders' £50 transfer fee will be transferred to the Yielders' fee E-wallet.

Second round investment stage - Secondary market

- ▼ When shares are purchased by secondary investors, i.e. on a transfer of shares, the funds paid for the acquisition of shares in the SPV will be held in the SPV holding E-wallet until the transfer has been effected, at which point:
 - the funds due to the selling investor will be transferred to the selling investor's E-wallet. The selling investor may then direct payment into his personal bank account via the Website;
 - the money paid by the purchasing investor will be transferred into the SPV E-wallet;
 - 0.5% of the purchase price for the shares or such other percentage as may be determined by law from time to time will be transferred to the Stamp Duty E-wallet. With the exception of stamp duty, all other applicable taxes attributable to the selling investor remain the liability of the selling investor;
 - Yielders' £50 transfer fee will be transferred to the Yielders' fee E-wallet.

Other payments

- ✔ For all transfers of funds or shares, Yielders will manage the process.
- ✔ Dividend payments will be made to your personal E-wallet. These payments will be made to you from the SPV E-wallet:
 - Following a reconciliation of the revenue earned by the SPV;
 - After certain taxes and other deductions are appropriately apportioned and deducted;
 - After the net dividend payment due is declared on the Website;
 - After Yielder's monthly management fee of a sum equal to 10% of the gross rental income will be deducted from the balance revenue; only then will
 - Any dividend payments due be made to the shareholders of the SPV based on the number of shares they own in the SPV, provided the dividend exceeds the sum of £100.
- ✔ Any appropriate and necessary payments due by the SPV to any third party will be taken from the SPV E-wallet prior to payment of any dividends.
- ✔ In the event that the asset owned by the SPV is sold or Yielders is removed as a director of the SPV, Yielders will be entitled to payment of a sum equal to 15% of the increase in value of the asset or share (whichever is the higher), on the date the asset is sold or Yielders' directorship is terminated from the value of the asset or share on the date it was acquired.
- ✔ The value of the shares and/or asset will be determined by an expert valuer listed in the panel of experts of Yielders as amended from time to time and will be completed in accordance with the articles of association of the SPV.

Early exit

- ✔ When you invest, you will not be permitted to exit the investment early without incurring additional costs. Should you choose to do so, you will be doing so at your own risk and cost and will be required to proceed as managed and directed by Yielders in order that we can ensure that other investors are not adversely affected by your departure. Any early departure will be at your own risk. An early departure that causes losses (monetary or otherwise) to other investors or Yielders will be the sole liability of the investor seeking an early exit. As such if an early departure is unavoidable, we would advise that you proceed per the instruction of Yielders and seek legal and financial advice as appropriate.

- ✓ In the event that you do elect to exit prior to the expiry of the term of the investment, you will be required to commission a valuation from Yielders' panel of experts.

Investor details

- ✓ Please note that whilst Yielders will use all reasonable endeavours to maintain that details of all its investors remain confidential, it may from time to time be required by statute / law, to ensure make your name and address available on public record. In such event, Yielders will be obliged to comply with said statute / law and will be required to make such information available as required.
- ✓ Further, please note that details of all shareholders will naturally become public information when the SPV's first annual return becomes due (and each time an annual return becomes due) as details are required by law to be noted therein.

ARTICLES OF ASSOCIATION

When you agree to invest in the SPV, you will be required to confirm that you agree to be bound by the articles of association of the SPV. The purpose of the articles of association is to govern the manner in which the SPV is to operate as well as regulate the relationship of investors and confirm their rights and obligations towards other shareholders and the SPV.

You must read the articles of association in full and raise any queries you have with us and your legal advisors before accepting them.

Some of the key terms of the articles of association include:

- ✔ Yielders (and its authorised representatives) will be one of the directors of the SPV. They will be charged with the day to day management of the SPV. Subject to the terms of the articles of association of the SPV, Yielders (and its authorised representatives) will be permitted to appoint or remove a Yielders representative to take on the role of director whilst it holds directorship in the SPV.
- ✔ You will be required to obtain and maintain your own insurance for any losses and potential liabilities incurred or caused by your investment.
- ✔ If you are required to obtain third party consents for the purposes of your intended investment, it is your sole responsibility to do so prior to investing any sums of money through Yielders and if you confirm your offer, it shall be deemed that such consent(s) will have been obtained.
- ✔ The minimum term of your investment will be [five (5) years] commencing on [30/06/2021].
- ✔ Whilst the day to day management of the SPV will rest with the directors who will act in accordance with the articles of association, shareholders will have the right to vote on certain key decisions affecting the SPV. These are listed in the articles of association.
- ✔ The directors:
 - Meetings will take place at least once a year;
 - The directors are permitted to take all such steps it deems necessary to ensure that the SPV and asset is dealt with in the manner envisaged in this InfoMemo (and transaction documents) and is permitted to exercise its full discretion to do so.
 - In addition to the annual meeting, the director may call board meetings as and when required.

✓ Shareholders:

- Meetings of shareholders will only be valid if there is at least 75% representation of the total shareholding of the SPV in attendance. So if there is a general meeting, at least 75% of the 100% of the shareholders must be present (in person, electronically or may any other permitted means) and able to vote.
- One share will represent one vote when it comes to making decisions at general meetings (i.e. the “Reserved Matters”).
- Any shareholder may appoint a proxy to attend a general meeting on their behalf. The default proxy in the event that a shareholder fails to attend a meeting and appoint a proxy, will be a representative of Yielders and their vote will be noted in favour of the decision to be made.
- There are certain matters listed in the articles of association which either require a majority vote in favour of that decision, i.e. 75% of the total votes or a unanimous vote as detailed separately therein.

✓ The SPV will be funded by cash investments. Should further investment be required, additional shares will be offered to the existing shareholders of the SPV in the first instance. Thereafter, if further investment is still required, the directors may consider alternate methods of financing subject to a majority vote (i.e. 75% in favour) of the shareholders of the SPV.

✓ Financial and accounting information relating to the SPV will be available from time to time and upon request.

✓ Subject to a minimum of £100 (net) being available, dividends will be paid at the end of each month after the following deductions have been made:

- corporation tax liability of the SPV at the prevailing rate;
- a monthly management fee of a sum equal to 10% of all gross rental income received by the SPV;
- all necessary, reasonable and prudent provisions and reserves for taxation other than corporation tax;
- expenses of the SPV (including but not limited to those cited herein);
- all fees due to the SPV or Yielders as a director in accordance with the articles of association of the SPV.

✓ Dividend payments will be made to your E-wallet when appropriate.

✓ Transfer of shares:

- In the event that a shareholder seeks to transfer his/her shares prior to the expiry of the term of the investment, such shareholder will be required to do so at the direction of Yielders and the directors and via the Website (with the exception of those shares being transferred after the expiry of the term).
 - A valuation will need to be undertaken via a valuer from Yielders' panel of experts. The cost of the valuation will be for the account of the party transferring his/her shares.
 - In the event that the transferring shareholder has sourced his/her own purchaser, the transfer must take place via the Website and the purchaser must first be approved by Yielders and registered on the Website.
 - In the event that the transferring shareholder has not sourced his/her own purchaser, the directors will first offer the shares to existing shareholders of the SPV. If the shares remain unsold for 5 Business Days, they will be offered to third party investors on the Website.
 - The cost of the transfer is to be borne by the shareholder transferring his/her shares.
- ▼ Investors are required to take all steps necessary to ensure that the executors of his estate liaise with the director of the SPV for the transfer of shares to it in accordance with the terms of the articles of association of the SPV.
- ▼ The articles of association will cease to apply:
- Upon a permitted transfer of shares;
 - Pursuant to an order of the court for the winding up of the SPV;
 - An investor failing a compliance check completed on him pursuant to Yielders' KYC policy;
 - An investor becoming a politically exposed person;
 - Sale of an asset;
 - In the event of a UK sanction or restriction imposed by law, court order or governing body that prevents the shareholder from holding shares in the SPV or dealing with his/her shares;
 - Removal of Yielders as director of the SPV.
- ▼ In the event that a shareholder seeks to terminate their investment prior to the expiry of the term of the investment, he/she will be required to transfer his/her shares through Yielders. He/she will be required to conduct a valuation of

his/her shares as noted above. The value of his/her shares shall be the lower of the value of the asset at the time of the valuation or the date when his/her shares were acquired.

- ✓ At the expiry of the term, the shareholders may sell their shares on the Website.
- ✓ In the event that shareholders of an SPV unanimously determine that Yielders must resign as director of the SPV, or the asset or SPV is to be sold, an independent valuation of the shares and/or asset will need to be conducted, the shareholders will be required to pay an exit fee of 15% of the increase in value of the shares or asset whichever is the higher (valued in accordance with the articles of association of the SPV) and the shareholders will need to complete the requisite formalities to terminate the appointment or sell the SPV or asset.
- ✓ In the event of your breach of the articles of association, separate to any rights and remedies applicable, you agree that damages may not be an adequate remedy and for this reason, the non-breaching party will be entitled to other remedies against you (the breaching party) such as an injunction, specific performance, etc. Separately, each shareholder will be required to keep the SPV indemnified against any losses it incurs as a result of the breach, enforcement of the articles of association in respect of the same and defending claims from third parties as a result of the breach for example.

POTENTIAL TAX RELIEFS

There are two main schemes that could apply to you. These are EIS and SEIS.

EIS – Enterprise Investment Scheme

This is a tax relief on new shares of qualifying companies. This applies to investments of up to £1,000,000.

With this scheme, subject to certain qualifying eligibility requirements and certain restrictions, you could take advantage of the following reliefs:

- ✔ Income tax relief of 30%
- ✔ Capital gains tax exemption / deferral
- ✔ Loss relief if shares are disposed of at a loss

There is also a carry back facility which would allow all or part of the cost of shares in a given tax year to be treated as if those shares had been acquired in the preceding tax year.

SEIS – Seed Enterprise Investment Scheme

This scheme is available for those investing in companies at the early stages.

With this scheme, subject to certain qualifying eligibility requirements and certain restrictions, you could take advantage of the following reliefs:

- ✔ Initial tax relief of 50% on investments up to £100,000 per tax year
- ✔ Capital gains exemptions for gains on SEIS shares

The availability of tax reliefs depends on the individual circumstances of each investor and the SPV concerned and may also be subject to change in the future. Please note that the above does not constitute tax or financial advice. You must ensure that you seek independent financial advice in respect of your proposed investment prior to investing any funds.

INVESTOR CLASSIFICATION

Before you invest, you must certify yourself as one of the following types of investors:

- Retail investor
- Advised investor
- Self-certified sophisticated investor
- High-net worth investor

The following certifications will need to be made as appropriate:

Retail investors:

I make this statement so that I can receive promotional communications relating to unlisted debt securities as a restricted investor. I declare that I qualify as a restricted investor because:

- In the twelve months proceeding, I have not invested more than 10% of my net assets in unlisted shares or unlisted debt securities: and
- I undertake that in the twelve months following I will not invest more than 10% of my net assets in unlisted shares or unlisted debt securities.

Net assets for these purposes do not include:

- The property which is my primary residence or any money raised through a loan secured on that property;
- Any rights of mine under a qualifying contract of insurance or
- Any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be entitled.

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on unlisted shares and unlisted debt securities.

Advised investors:

I am a client of a firm that has assessed me as suitable to receive financial promotions. I accept that the investments to which the promotions relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open for me to seek advice from an authorised person who specialises in advising on unlisted shares and unlisted debt securities.

Self-certified investors:

I declare that I am a self-certified sophisticated investor for the purposes of the restriction on promotion of non-mainstream pooled investments, I understand that this means:

- I can receive promotional communications made by a person who is authorised by the Financial Conduct Authority which relate to investment activity in non-mainstream pooled investments;
- The investments to which the promotions will relate may expose me to a significant risk of losing all of the property invested.

I am a self-certified sophisticated investor because at least one of the following applies:

- I am a member of a network or syndicate of business angels and have been so for at least the last six months prior;
- I have made more than one investment in an unlisted company, including via Yielders, in the last two years prior;
- I am working, or have worked in the two years prior, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- I am currently, or have been in the two years' prior, a director of a company with an annual turnover of at least £1 million.

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from someone who specialises in advising on non-mainstream pooled investments.

High net worth investors:

I make this statement so that I can receive promotional communications which are exempt from the restriction on promotion of non-mainstream pooled investments. The exemption relates to certified high net worth investors and I declare that I qualify as such because at least one of the following applies to me:

- I had, throughout the financial year immediately preceding, an annual income to the value of £100,000 or more;
- I held, throughout the financial year immediately preceding, net assets to the value of £250,000 or more.

Net assets for these purposes do not include:

- ✓ The property which is my primary residence or any money raised through a loan secured on that property;
- ✓ Any rights of mine under a qualifying contract of insurance or
- ✓ Any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be entitled.